

Message Text

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16

ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 DODE-00 PM-04 H-02 L-03 PA-01 PRS-01 /089 W

----- 033944

R 170934Z OCT 75

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 8604

C O N F I D E N T I A L TEL AVIV 6584Y

E.O. 11652: N/A

TAGS: EFIN, IS

SUBJECT: ISRAEL'S FOREIGN EXCHANGE RESERVES

REF: TEL AVIV 6356

1. ISRAEL'S FOREIGN EXCHANGE RESERVES AMOUNTED TO \$1.237 BILLION ON SEPT. 30, 1975. NATAD DOLLAR REACHED RECORD IL 8.25 AND BLACK MARKET DOLLAR IL 9.50 ON OCT. 15. BANK OF ISRAEL (BOI) SOURCE TOLD EMBOFF THAT RESERVES WERE STILL DECLINING ALTHOUGH AT MUCH SLOWER RATE THAN PRIOR TO SEPT. 28 DEVALUATION. HE CHARACTERIZED PRESENT ATTITUDE OF GOI AS ONE OF QUOTE HOPING AGAINST HOPE UNQUOTE THAT ANOTHER BIG DEVALUATION WILL NOT BE NECESSARY IN 1975.

2. CONTINUED SPECULATION AGAINST ISRAELI POUND AND DECLINING RESERVES ARE CAUSING GROWING CONCERN IN GOU. MINISTRY OF FINANCE OFFICIALS HAS INFORMALLY QUERIED EMBOFF ABOUT PROSPECTS FOR ALLOCATION OF FUNDS TO ISRAEL UNDER AID FY 1976 CONTINUING RESOLUTION. HE SAID THAT EARLY FUNDING UNDER THAT AUTHORITY WOULD BE QUOTE HELPFUL IN COUNTERING CONCERN ABOUT ISRAEL'S RESERVE POSITION UNQUOTE, ESPECIALLY IF DRAWING
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COULD BE MADE FROM SPECIAL GRANTS RELATED TO INTERIM

AGREEMENT WITH EGYPT. SUPPORTING ASSISTANCE FUNDS,
HE SAID, WOULD NOT BE OF AS MUCH IMMEDIATE BENEFIT
SINCE THEY ARE SUPPLIED ONLY AS REIMBURSEMENT FOR
IMPORT PAYMENTS.
TOON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DATA, FOREIGN EXCHANGE HOLDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
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Handling Restrictions: n/a
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Margaret P. Grafeld
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06 JUL 2006

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TAGS: EFIN, IS
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